

NEWS RELEASE

FOR RELEASE _____

Cline, DeVries & Allen, LLP today released an audit report on the City of Story City, Iowa.

The City's receipts totaled \$3,883,330 for the year ended June 30, 2009, a two percent decrease from 2008. The receipts included \$910,698 in property tax, \$749,438 from tax increment financing collections, \$985,414 from charges for service, \$371,320 from operating grants, contributions and restricted interest, \$170,368 from capital grants, contributions, and restricted interest, \$395,553 from local option sales tax, \$94,884 from unrestricted investment earnings, and \$205,655 from other general receipts.

Disbursements for the year totaled \$5,663,047 a thirty-seven percent increase from the prior year, and included \$1,947,569 for capital projects, \$610,499 for culture and recreation, and \$802,846 for debt service. Also, disbursements for business type activities totaled \$888,970.

A copy of the audit report is available for review in the City Clerk's office.

CITY OF STORY CITY
INDEPENDENT AUDITORS' REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2009

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City of Story City

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Kenneth Peterson	Mayor	Jan 2010
Michael Jensen	Mayor Pro tem	Jan 2012
Barbara Frohling	Council Member	Jan 2012
Lynn Cummings	Council Member	Jan 2012
Dave Sporleder	Council Member	Jan 2010
Jeffrey Crisman	Council Member	Jan 2010
Mark Jackson	Administrator	Indefinite
Dena Nichols	Clerk/Treasurer	Jan 2010
Fred A. Larson	Attorney	Jan 2010

City of Story City

CLINE, DeVRIES & ALLEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Phone: 515-252-7141 FAX: 515-252-7073

Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Story City, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Story City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Story City as of June 30, 2009, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1. However, the primary government financial statements, because they do not include the financial data of the component unit of the City of Story City, do not purport to, and do not, present fairly the results of the cash transactions of the funds of the City of Story City as of and for the year ended June 30, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2009 on our consideration of the City of Story City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The City has not presented management's discussion and analysis which introduces the primary government financial statements by presenting certain financial information as well as management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the primary government financial statements.

Budgetary comparison information on pages 23 through 25 is not a required part of the primary government financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Story City's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the five years ended June 30, 2008 (none of which are presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 8, 2009
Ames, Iowa

City of Story City

Basic Financial Statements

City of Story City
Statement of Activities and Net Assets – Cash Basis

As of and for the year ended June 30, 2009

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions / Programs:				
Governmental activities:				
Public safety	\$ 475,784	27,096	-	-
Public works	448,109	59,076	271,571	-
Health and social services	-	-	-	-
Culture and recreation	610,499	85,728	33,159	-
Community and economic development	165,509	-	2,800	-
General government	323,761	-	-	-
Debt service	802,846	-	-	-
Capital projects	1,947,569	-	63,790	170,368
Business type activities	38,543	-	-	-
Total governmental activities	4,812,620	171,900	371,320	170,368
Business type activities:				
Water	331,023	312,338	-	-
Sewer	348,066	353,163	-	-
Stormwater drainage	16,462	37,798	-	-
Golf Course	154,876	110,215	-	-
Total business type activities	850,427	813,514	-	-
Total	\$ 5,663,047	985,414	371,320	170,368
General Receipts:				
Property tax levied for:				
General purposes				
Tax increment financing				
Debt service				
Special assessments				
Local option sales tax				
Mobile home tax				
Hotel/motel tax				
Franchise taxes				
Cable television				
Unrestricted interest on investments				
Rent				
Net loan proceeds				
Miscellaneous				
Sale of assets				
Transfers				
Total general receipts and transfers				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
Cash Basis Net Assets				
Restricted:				
Streets				
Urban renewal purposes				
Debt service				
Unrestricted				
Total cash basis net assets				

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
(448,688)	-	(448,688)
(117,462)	-	(117,462)
-	-	-
(491,612)	-	(491,612)
(162,709)	-	(162,709)
(323,761)	-	(323,761)
(802,846)	-	(802,846)
(1,713,411)	-	(1,713,411)
(38,543)	-	(38,543)
(4,099,032)	-	(4,099,032)
-	(18,685)	(18,685)
-	5,097	5,097
-	21,336	21,336
-	(44,661)	(44,661)
-	(36,913)	(36,913)
(4,099,032)	(36,913)	(4,135,945)
910,698	-	910,698
749,438	-	749,438
-	-	-
2,202	-	2,202
395,553	-	395,553
1,455	-	1,455
94,649	-	94,649
23,107	-	23,107
-	-	-
79,496	15,388	94,884
11,548	14,995	26,543
1,093,843	-	1,093,843
57,699	-	57,699
713,883	-	713,883
(17,750)	17,750	-
4,115,821	48,133	4,163,954
16,789	11,220	28,009
2,405,482	880,038	3,285,520
\$ 2,422,271	891,258	3,313,529
\$ 102,709	-	102,709
296,986	-	296,986
356,887	-	356,887
1,665,689	891,258	2,556,947
\$ 2,422,271	891,258	3,313,529

City of Story City

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2009

	General	Special Revenue		
		Tax Increment Financing	Library Gift	Hospital Trust
Receipts:				
Property tax	\$ 696,086	-	-	-
Tax increment financing collections	-	749,438	-	-
Other city tax	514,764	-	-	-
Licenses and permits	12,627	-	-	-
Use of money and property	21,486	5,688	6,437	11,039
Intergovernmental	48,443	-	-	-
Charges for service	158,183	-	-	-
Special assessments	-	-	-	-
Miscellaneous	41,346	-	30,699	-
Total receipts	1,492,935	755,126	37,136	11,039
Disbursements:				
Operating:				
Public safety	444,598	-	-	-
Public works	93,471	-	-	-
Health and social services	-	-	-	-
Culture and recreation	573,812	-	12,728	-
Community and economic development	40,509	-	-	100,000
General government	323,761	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Business Type activities	-	-	-	-
Total disbursements	1,476,151	-	12,728	100,000
Excess (deficiency) of receipts over (under) disbursements	16,784	755,126	24,408	(88,961)
Other financing sources (uses):				
Loan proceeds	-	-	-	-
Sale of fixed assets	-	-	-	-
Operating transfers in	22,150	-	-	192,032
Operating transfers out	(53,000)	(794,570)	-	(164,900)
Total other financing sources (uses)	(30,850)	(794,570)	-	27,132
Net change in cash balances	(14,066)	(39,444)	24,408	(61,829)
Cash balances beginning of year	557,533	336,430	230,008	569,307
Cash balances end of year	\$ 543,467	296,986	254,416	507,478
Cash Basis Fund Balances				
Reserved:				
Debt service	\$ -	-	-	-
Unreserved:				
General fund	543,467	-	-	-
Special revenue funds	-	296,986	254,416	507,478
Capital projects fund	-	-	-	-
Permanent fund	-	-	-	-
Total cash basis fund balances	\$ 543,467	296,986	254,416	507,478

See notes to financial statements.

Debt Service General Obligation Bonds	Capital Project I-35 Development	Other Nonmajor Governmental Funds	Total
184,923	840	28,849	910,698
-	-	-	749,438
-	-	-	514,764
-	-	-	12,627
6,080	-	40,314	91,044
-	110,729	331,210	490,382
-	-	490	158,673
-	-	2,202	2,202
-	-	37,560	109,605
191,003	111,569	440,625	3,039,433
-	-	31,186	475,784
-	-	354,638	448,109
-	-	-	-
-	-	23,959	610,499
-	-	25,000	165,509
-	-	-	323,761
802,846	-	-	802,846
-	1,725,241	222,328	1,947,569
-	-	38,543	38,543
802,846	1,725,241	695,654	4,812,620
(611,843)	(1,613,672)	(255,029)	(1,773,187)
-	1,019,280	-	1,019,280
74,563	665,715	48,168	788,446
604,740	-	201,000	1,019,922
-	-	(25,202)	(1,037,672)
679,303	1,684,995	223,966	1,789,976
67,460	71,323	(31,063)	16,789
286,973	48,522	376,709	2,405,482
354,433	119,845	345,646	2,422,271
354,433	-	2,454	356,887
-	-	-	543,467
-	-	173,732	1,232,612
-	119,845	108,213	228,058
-	-	61,247	61,247
354,433	119,845	345,646	2,422,271

City of Story City

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2009

	Enterprise Funds				Total
	Water	Sewer	Stormwater Drainage	Golf Course	
Operating receipts:					
Use of money and property	\$ 22,557	7,633	70	123	30,383
Charges for service	312,338	353,163	37,798	110,215	813,514
Total operating receipts	334,895	360,796	37,868	110,338	843,897
Operating disbursements:					
Business type activities	331,023	348,066	16,462	154,876	850,427
Total operating disbursements	331,023	348,066	16,462	154,876	850,427
Excess (deficiency) of operating receipts over (under) operating disbursements	3,872	12,730	21,406	(44,538)	(6,530)
Other financing sources (uses):					
Operating transfers in	-	-	-	35,000	35,000
Operating transfers out	-	(17,250)	-	-	(17,250)
Total other financing sources (uses)	-	(17,250)	-	35,000	17,750
Net change in cash balances	3,872	(4,520)	21,406	(9,538)	11,220
Cash balances beginning of year	300,131	570,840	-	9,067	880,038
Cash balances end of year	\$ 304,003	566,320	21,406	(471)	891,258
Cash Basis Fund Balances					
Reserved for maintenance/replacement	\$ 84,076	276,530	-	-	360,606
Unreserved	219,927	289,790	21,406	(471)	530,652
Total cash basis fund balances	\$ 304,003	566,320	21,406	(471)	891,258

See notes to financial statements.

City of Story City

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

The City of Story City is a political subdivision of the State of Iowa located in Story County. It was first incorporated in 1881 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Story City has included all funds, organizations, agencies, boards, commissions and authorities, except for its component unit, the Story City Municipal Electric Utility. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's primary government financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These primary government financial statements present the City of Story City (the primary government) and exclude the component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. It has not been included in these primary government financial statements which present the primary government only. Complete financial statements of the individual component unit, which issued separate financial statements as noted below, can be obtained from its administrative office.

Component Unit

The Story City Municipal Electric Utility is a component unit of the City of Story City and is not presented in these primary government financial statements. They are legally separate from the City, but are financially accountable to the City. The Story City Municipal Electric Utility (Utility) was established to operate the City's electric facilities. The Utility is governed by a three member Board of Trustees appointed by the Mayor and approved by the City Council. Title to all property of the Utility is held in the name of the City. A financial benefit/burden relationship exists between the City and the Utility in that the

City is authorized by statute to issue general obligation debt for a city utility, and may certify taxes for the payment of the debt.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards: Main Street Program, Central Iowa Regional Transportation Planning Alliance Board, Central Iowa Regional Housing Authority, Story City Chamber of Commerce Board, Trees Forever Board, and River Bend Golf Course Ltd.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in two categories:

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are

paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Urban Renewal Tax Increment Fund is used to account for urban renewal projects financed by tax increment financing.

The Hospital Trust Fund is used for internal loan purposes. To date, it has been used for TIF related projects.

The Library Gift fund is used to account for donations made to the Library.

Debt Service:

The General Obligation Bonds Fund is used to account for the City's general obligation long term debt.

Capital Projects:

The I-35 Development Fund is used to account for the development of the I-35 Business Park.

The City reports the following major proprietary funds:

The Water Fund accounts for the operation and maintenance of the City's water system.

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The Stormwater Drainage Fund accounts for improvements to the City's storm water sewer system.

The Golf Course Fund accounts for the operation of the City owned golf course.

C. Measurement Focus and Basis of Accounting

The City of Story City maintains its financial records on the basis of cash receipts and disbursements and the primary government financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the primary government financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements exceeded the amounts budgeted in the community and economic development and debt service functions.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The City's investment policy limits the investment of operating funds in instruments that mature within 397 days. Operating funds are defined as those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the City of Story City.

(3) Notes Payable

Annual debt service requirements to maturity for general obligation and urban renewal tax increment financing project notes are as follows:

Year Ending June 30,	General Obligation		Urban Renewal Tax Increment Financing	
	Notes		Project Notes	
	Principal	Interest	Principal	Interest
2010	\$ 260,000	139,210	\$ 230,000	112,942
2011	360,000	113,568	240,000	101,557
2012	275,000	98,575	250,000	89,678
2013	290,000	87,137	265,000	77,303
2014	225,000	74,782	280,000	64,450
2015-2019	1,155,000	209,568	1,235,000	135,735
2020	140,000	8,610	-	-
Total	\$ 2,705,000	\$ 731,450	\$ 2,500,000	\$ 581,665

The Urban Renewal Tax Increment Financing Bonds were issued for the purpose of defraying a portion of the costs of carrying out an urban renewal project of the City. The bonds are payable solely from the income and proceeds of the Special Revenue, Urban Renewal Tax Increment Fund and the taxes to be paid into the fund in accordance with Chapter 403.19 of the Code of Iowa. The proceeds of the urban renewal tax increment financing revenue bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal area. The bonds are not a general obligation of the City. However, the debt is subject to the constitutional debt limitation of the City.

(4) Pension and Retirement Benefits

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years end June 30, 2009, 2008, and 2007 were \$62,217, \$61,452 and \$58,200 respectively, equal to the required contributions for each year.

(5) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. City employees also accumulate a limited amount of earned but unused sick leave hours for subsequent use. A portion of sick leave is payable upon termination of employment if the employee quits or retires after at least ten years of continuous service. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and sick leave termination payments payable to employees at June 30, 2009, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation	\$ 45,569
Sick leave	<u>54,287</u>
Total	<u>\$ 99,856</u>

This liability has been computed based on rates of pay in effect at June 30, 2009.

(6) Transfers

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Hospital Trust	\$ 4,900
	Enterprise: Sewer	<u>17,250</u>
		<u>22,150</u>
Special Revenue: Hospital Trust	Debt Service: Special Assessments	2,032
Hospital Trust	Special Revenue: Urban Renewal Tax Increment	190,000
Equipment Replacement	General	<u>15,000</u>
		<u>207,032</u>
Debt Service: General Obligations	Special Revenue: Urban Renewal Tax Increment	604,570
General Obligations	Debt Service: Special Assessments	<u>170</u>
		<u>604,740</u>
Capital Projects: Downtown Improvements	Special Revenue: Hospital Trust	20,000
Street Improvement	Hospital Trust	140,000
Recreation Center	Capital Project: Capital Improvements	23,000
Trees Forever	General	<u>3,000</u>
		<u>186,000</u>
Enterprise: Golf Course	General	<u>35,000</u>
Total		<u>\$ 1,054,922</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(7) Notes Receivable/Economic Development

During the year ended June 30, 2007, the City entered into a loan for \$36,000 with Record Printing. Monthly payments of principal and interest of \$665 are to be made every month starting October 1, 2006 until September 1, 2011. The interest rate is 4.125% and the balance of the loan on June 30, 2009 was \$20,818.

During the 2004-2005 fiscal year, the City loaned \$50,000 to MH Eby, Inc. Interest of \$115 is due monthly starting May 1, 2009 thru March 1, 2010. Principal payments of \$25,000 each are due on April 1, 2010 and April 1, 2011. The loan has an interest rate of 2.75% and the balance of the loan on June 30, 2009 was \$50,000.

During the year ended June 30, 2007, the City entered into a loan agreement with Precision Restoration and Paint for \$10,000. Principal and interest in the amount of \$226 is due monthly starting March 1, 2007 and continuing through February 2010. The interest rate on the loan is 4.125%. During the year ended June 30, 2008, Precision Paint and Restoration went out of business and the outstanding balance at June 30, 2009 was \$8,838.

During the year ended June 30, 2009, the City entered into a loan agreement with Precision Machine and Manufacturing Co. The loan is a \$40,000 loan with no interest. The loan is to be paid from the sale proceeds of the vacant commercial building that the Company owns.

(8) Related Party Transactions

The City had business transactions between the City and City officials totaling \$1,097 during the year ended June 30, 2009.

(9) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Landfill

The City has contracted with the City of Ames for solid waste disposal for all households or residences within the City. The contract began April 1, 1994 and will terminate June 30, 2014. The cost is computed for each calendar year. On or before February 15th of each year, the City of Ames will notify the City of Story City of its proportionate share of the net costs of the system for the prior calendar year. The City of Story City will pay the City of Ames one-half of its share on July 15th and one-half on or before December 15th of each year. The annual rate of the contract is determined by multiplying the net per capita cost of the Ames solid waste disposal system by the population of the City of Story City.

(11) Construction Commitments

The City had the following commitments with respect to unfinished capital projects at June 30, 2009:

<u>Project</u>	<u>Remaining Commitment</u>
Story City Recreation Trail	\$ 206,681
River Bend Golf Course Clubhouse	266,713
Broad Street Expansion/Storm Water Drainage	233,926

(12) Golf Course Lease

On January 1, 2009, the City entered into a lease with River Bend Golf Course LTD which states that River Bend is going to manage and operate the City owned golf course. The lease is a 10 year lease with automatic renewal upon expiration. Starting in January 2012, River Bend will pay the City \$7,500 or 5% of gross revenues for the year, whichever is less. This fee will be paid by January 31st of the following year. No fees will be charged by the City for the first 3 years of operation. In years in which the golf course suffers losses due to flooding, these fees may be waived.

Required Supplementary Information

City of Story City
 Budgetary Comparison Schedule
 of Receipts, Disbursements, and Changes in Balances -
 Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2009

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds Nor Required To Be Budgeted
Receipts:			
Property tax	\$ 910,698	-	-
Tax increment financing collections	749,438	-	-
Other city tax	514,764	-	-
Licenses and permits	12,627	-	-
Use of money and property	91,044	30,383	856
Intergovernmental	490,382	-	-
Charges for service	158,673	813,514	-
Special assessments	2,202	-	-
Miscellaneous	109,605	-	1,115
Total receipts	3,039,433	843,897	1,971
Disbursements:			
Public safety	475,784	-	-
Public works	448,109	-	-
Health and social services	-	-	-
Culture and recreation	610,499	-	-
Community and economic development	165,509	-	-
General government	323,761	-	-
Debt service	802,846	-	-
Capital projects	1,947,569	-	-
Business type activities	38,543	850,427	-
Total disbursements	4,812,620	850,427	-
Excess (deficiency) of receipts over (under) disbursements	(1,773,187)	(6,530)	1,971
Other financing sources (uses), net	1,789,976	17,750	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	16,789	11,220	1,971
Balances beginning of year	2,405,482	880,038	59,276
Balances end of year	\$ 2,422,271	891,258	61,247

See accompanying independent auditors' report.

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
910,698	912,948	912,948	(2,250)
749,438	794,570	794,570	(45,132)
514,764	469,628	504,628	10,136
12,627	13,875	13,875	(1,248)
120,571	125,575	125,575	(5,004)
490,382	295,000	393,000	97,382
972,187	1,040,950	1,075,950	(103,763)
2,202	5,500	5,500	(3,298)
108,490	159,245	224,245	(115,755)
3,881,359	3,817,291	4,050,291	(168,932)
475,784	485,230	485,230	9,446
448,109	406,700	491,700	43,591
-	20,000	20,000	20,000
610,499	462,785	632,785	22,286
165,509	42,500	102,500	(63,009)
323,761	337,560	337,560	13,799
802,846	801,546	801,546	(1,300)
1,947,569	206,000	2,141,000	193,431
888,970	974,625	924,625	35,655
5,663,047	3,736,946	5,936,946	273,899
(1,781,688)	80,345	(1,886,655)	104,967
1,807,726	-	1,795,000	12,726
26,038	80,345	(91,655)	117,693
3,226,244	3,317,607	3,285,520	(59,276)
3,252,282	3,397,952	3,193,865	58,417

City of Story City

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, two budget amendments increased budgeted receipts by \$233,000 and budgeted disbursements by \$2,200,000. The budget amendments are reflected in the final budgeted amounts.

During the year ended June 30, 2009, disbursements exceeded the amounts budgeted in the community and economic development and debt service functions.

Other Supplementary Information

City of Story City

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2009

	Special Revenue					Debt Service
	Economic Development Revolving Loan	Police Forfeitures	Road Use Tax	Equipment Replacement	Golf Course Trust	Special Assessments
Receipts:						
Property tax	\$ -	-	-	-	-	-
Other city tax	-	-	-	-	-	-
Use of money and property	8,515	1	-	30,476	26	33
Intergovernmental	-	-	271,571	-	-	-
Special assessments	-	-	-	-	-	2,202
Charges for services	-	490	-	-	-	-
Miscellaneous	-	-	-	-	561	-
Total receipts	8,515	491	271,571	30,476	587	2,235
Disbursements:						
Operating:						
Public safety	-	39	-	31,147	-	-
Public works	-	-	261,526	93,112	-	-
Culture and recreation	-	-	-	20,772	3,187	-
Community and economic development	25,000	-	-	-	-	-
General government	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
	-	-	-	38,543	-	-
Total disbursements	25,000	39	261,526	183,574	3,187	-
Excess (deficiency) of receipts over (under) disbursements	(16,485)	452	10,045	(153,098)	(2,600)	2,235
Other financing sources (uses):						
Loan proceeds	-	-	-	-	-	-
Sale of fixed assets	-	-	-	48,168	-	-
Operating transfers in	-	-	-	15,000	-	-
Operating transfers out	-	-	-	-	-	(2,202)
Total other financing sources (uses):	-	-	-	63,168	-	(2,202)
Net change in cash balances	(16,485)	452	10,045	(89,930)	(2,600)	33
Cash balances beginning of year	86,832	-	92,664	90,034	2,720	2,421
Cash balances end of year	\$ 70,347	452	102,709	104	120	2,454
Cash Basis Fund Balances						
Unreserved:						
Special revenue funds	\$ 70,347	\$ 452	102,709	104	120	-
Debt service fund	-	-	-	-	-	2,454
Capital projects funds	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-
Total cash basis fund balances	\$ 70,347	452	102,709	104	120	2,454

See accompanying independent auditors' report.

Capital Projects							Permanent Cemetery Perpetual Care	Total
Trees Forever	Street Improvement	Downtown Improvements	Clubhouse Trail	Recreation Center	Capital Improvements	Housing Assistance		
-	-	-	-	-	28,849	-	-	28,849
-	-	-	-	-	-	-	-	-
8	-	6	3	100	162	128	856	40,314
-	-	-	59,639	-	-	-	-	331,210
-	-	-	-	-	-	-	-	2,202
-	-	-	-	-	-	-	-	490
2,727	-	-	-	20,000	-	13,157	1,115	37,560
2,735	-	6	59,642	20,100	29,011	13,285	1,971	440,625
-	-	-	-	-	-	-	-	31,186
-	-	-	-	-	-	-	-	354,638
-	-	-	-	-	-	-	-	23,959
-	-	-	-	-	-	-	-	25,000
-	-	-	-	-	-	-	-	-
5,926	3,604	11,278	147,840	13,175	29,361	11,144	-	222,328
-	-	-	-	-	-	-	-	38,543
5,926	3,604	11,278	147,840	13,175	29,361	11,144	-	695,654
(3,191)	(3,604)	(11,272)	(88,198)	6,925	(350)	2,141	1,971	(255,029)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	48,168
3,000	140,000	20,000	-	23,000	-	-	-	201,000
-	-	-	-	-	(23,000)	-	-	(25,202)
3,000	140,000	20,000	-	23,000	(23,000)	-	-	223,966
(191)	136,396	8,728	(88,198)	29,925	(23,350)	2,141	1,971	(31,063)
839	-	(3,963)	-	12,604	15,219	18,063	59,276	376,709
648	136,396	4,765	(88,198)	42,529	(8,131)	20,204	61,247	345,646
-	-	-	-	-	-	-	-	173,732
-	-	-	-	-	-	-	-	2,454
648	136,396	4,765	(88,198)	42,529	(8,131)	20,204	-	108,213
-	-	-	-	-	-	-	61,247	61,247
648	136,396	4,765	(88,198)	42,529	(8,131)	20,204	61,247	345,646

City of Story City
Schedule of Indebtedness
Year ended June 30, 2009

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Corporate purpose	Oct. 1, 1997	6.85-7.50%	\$ 650,000
Corporate purpose	Apr. 1, 2001	4.00-4.80%	775,000
Corporate purpose	Jan. 1, 2003	2.15-4.45%	550,000
Water improvement refunding	Mar. 1, 2004	1.45-2.85%	1,385,000
Corporate purpose	Jan. 15, 2007	3.70-4.10%	1,155,000
Annual appropriation development	Mar. 1, 2009	4.00-6.15%	1,115,000
Total			
Urban Renewal Tax Increment Financing Bonds:			
Urban Renewal Tax Increment Bonds	May 15, 2007	4.15-4.95%	\$ 2,500,000

See accompanying independent auditors' report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 6,750	-
270,000	-	85,000	185,000	12,742	-
305,000	-	55,000	250,000	12,733	-
340,000	-	340,000	-	9,690	-
1,155,000	-	-	1,155,000	45,188	-
-	1,115,000	-	1,115,000	-	-
<hr/>					
\$ 2,160,000	\$ 1,115,000	\$ 570,000	\$ 2,705,000	\$ 87,103	-
<hr/>					
\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 112,943	-
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City of Story City

Note Maturities

June 30, 2009

General Obligation Notes

Year Ending June 30,	Annual Appropriation		Corporate Purpose	
	Issued Mar 1, 2009		Issued Apr 1, 2001	
	Interest Rates	Amount	Interest Rates	Amount
2010	-	-	4.70	90,000
2011	4.00	90,000	4.80	95,000
2012	4.50	90,000		-
2013	4.65	100,000		-
2014	4.90	100,000		-
2015	5.15	105,000		-
2016	5.50	110,000		-
2017	5.70	120,000		-
2018	5.90	125,000		-
2019	6.05	135,000		-
2020	6.15	140,000		-
Total		<u>\$ 1,115,000</u>		<u>\$ 185,000</u>

Year Ending June 30,	Corporate Purpose		Corporate Purpose		Total
	Issued Jan 1, 2003		Issued Jan. 15, 2007		
	Interest Rates	Amount	Interest Rates	Amount	
2010	4.05	60,000	3.70	110,000	260,000
2011	4.20	60,000	3.75	115,000	360,000
2012	4.35	65,000	3.80	120,000	275,000
2013	4.45	65,000	3.85	125,000	290,000
2014	-	-	3.90	125,000	225,000
2015	-	-	3.95	130,000	235,000
2016	-	-	4.00	135,000	245,000
2017	-	-	4.05	145,000	265,000
2018	-	-	4.10	150,000	275,000
2019	-	-		-	135,000
2020	-	-		-	140,000
Total		<u>\$ 250,000</u>		<u>\$ 1,155,000</u>	<u>\$ 2,705,000</u>

Urban Renewal Tax Increment Financing Bonds		
Series 2007B		
Issued May 15, 2007		
Year Ending June 30,	Interest Rates	Amount
2010	4.95	230,000
2011	4.95	240,000
2012	4.95	250,000
2013	4.85	265,000
2014	4.15	280,000
2015	4.20	290,000
2016	4.25	300,000
2017	4.30	315,000
2018	4.35	330,000
Total		<u>\$ 2,500,000</u>

See accompanying independent auditors' report.

City of Story City
Schedule of Receipts By Source and Disbursements By Function -
All Governmental Funds
For the Last Six Years

	2009	2008	2007	2006	2005	2004
Receipts:						
Property tax	\$ 910,698	\$ 870,452	\$ 815,902	\$ 737,182	720,335	\$ 667,167
Tax increment financing collections	749,438	899,346	998,845	683,605	1,076,649	1,229,827
Other city tax	514,764	485,347	473,843	422,805	408,444	408,370
Licenses and permits	12,627	8,660	14,935	12,649	14,964	14,042
Use of money and property	91,044	132,281	172,571	121,156	86,079	57,274
Intergovernmental	490,382	352,661	612,109	419,531	630,206	351,606
Charges for service	158,673	137,977	139,641	128,921	115,112	119,356
Special assessments	2,202	7,285	21,603	8,138	43,259	25,132
Miscellaneous	109,605	123,273	79,726	224,252	179,499	59,974
Total	\$ 3,039,433	\$ 3,017,282	\$ 3,329,175	\$ 2,758,239	3,274,547	\$ 2,932,748
Disbursements:						
Operating:						
Public safety	\$ 475,784	\$ 422,697	\$ 423,161	\$ 382,754	369,443	\$ 410,974
Public works	448,109	414,110	400,717	370,229	354,287	349,452
Health and social services	-	-	-	-	1,000	971
Culture and recreation	610,499	580,565	396,949	404,715	392,586	353,434
Community and economic development	165,509	162,197	242,974	99,198	399,896	265,810
General government	323,761	329,277	304,198	315,090	369,192	361,520
Debt service	802,846	789,916	3,182,355	620,143	1,576,327	521,850
Capital projects	1,947,569	495,292	3,617,145	1,421,835	984,059	813,526
Business type activities	38,543	-	-	-	-	-
Total	\$ 4,812,620	\$ 3,194,054	\$ 8,567,499	\$ 3,613,964	4,446,790	\$ 3,077,537

See accompanying independent auditors' report.

City of Story City

CLINE, DeVRIES & ALLEN, LLP

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Story City, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated October 9, 2009. Our report expressed an unqualified opinion on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Story City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing our opinion on the effectiveness of the City of Story City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Story City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Story City's ability to initiate, authorize, record, process or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood a misstatement of the City of Story City's financial statements that is more than inconsequential will not be prevented or detected by the City of Story City's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by the City of Story City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe item II-A-09 is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Story City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Story City's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City of Story City's responses and accordingly, express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Story City and other parties to whom the City of Story City may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Story City during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

October 8, 2009
Ames, Iowa

City of Story City
Schedule of Findings
Year ended June 30, 2009

Part I: Summary of the Independent Auditors' Results:

- (a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

City of Story City
Schedule of Findings
Year ended June 30, 2009

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

II-A-09 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The cash receipts listing, bank deposits and the posting of the cash receipts to the cash receipts journal are all done by the same person.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

City of Story City
Schedule of Findings
Year ended June 30, 2009

Part III: Other Findings Related to Statutory Reporting:

- III-A-09 Certified Budget – Disbursements during the year ended June 30, 2009 exceeded the amounts budgeted in the culture and recreation, community and economic development and debt service functions. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – We will do so in the future.

Conclusion – Response accepted.

- III-B-09 Questionable Disbursements – We noted two disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented. The disbursements were for flowers and bakery goods.

According to the opinion, it is possible for such disbursements to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – The Council should determine and document the public purpose served by these disbursements before authorizing any further payments. If this practice is continued, the City should establish written policies and procedures, including the requirements for proper documentation.

Response – We will comply with this recommendation.

Conclusion – Response accepted.

- III-C-09 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted

- III-D-09 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Jensen Excavating, owned by son Of Council Member	Services	\$ 1,097

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with the above individual do not appear to represent a conflict of interest since total transactions with the individual did not exceed \$1,500 during the fiscal year.

City of Story City

Schedule of Findings

Year ended June 30, 2009

- III-E-09 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- III-F-09 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.
- III-G-09 Deposits and Investments – No instances of non-compliance with the City's investment policy were noted.
- III-H-09 Urban Renewal Tax Increment Financing Bonds – Principal and interest paid on the Urban Renewal Tax Increment Financing Bonds were paid from a Debt Service Fund, rather than the Special Revenue Fund, Urban Renewal Tax Increment Financing Account. This is not in accordance with Ch. 403.19(2) of the Code of Iowa.

Recommendation – The City should pay tax increment financing debt from the Special Revenue Fund in the future.

Response – We will do so.

Conclusion – Response accepted.

- III-I-09 Financial Condition – The Capital Project Funds, Clubhouse Trail and Capital Improvements had deficit balances at June 30, 2009 of \$88,198 and \$8,131, respectively. The Business Type Fund, Golf Course, had a deficit balance of \$471 at June 30, 2009.

Recommendation – The City should investigate alternatives to eliminate these deficits in order to return these funds to a sound financial position.

Response – We will do so.

Conclusion – Response accepted.

City of Story City
Schedule of Findings
Year ended June 30, 2009
